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File



*Registered Office*  
TORONTO – ONTARIO



## REPORT TO SHAREHOLDERS

### *Malthouses and Elevators*

Montreal, Que.	Winnipeg, Man.
Toronto, Ont.	Calgary, Alta.
Thunder Bay, Ont.	

For the Six Months  
ended June 30, 1979

# CANADA MALTING CO. LIMITED

## Consolidated Earnings for the Six Months ended June 30 (unaudited)

### TO OUR SHAREHOLDERS:

Consolidated earnings for the six months ended June 30, 1979 were \$2,566,325 or \$2.95 per share, compared to \$2,595,758 or \$2.99 per share for the same period last year.

Shipments of malt to our domestic and export customers were higher this year than last, but increased revenues did not offset a rise in costs.

First half profits of Leaver Mushrooms Co. Limited show improvement from last year, but are not yet at a satisfactory level.

Work has begun on construction of the new Montreal plant. Completion is scheduled for late 1980.

On behalf of the Board,

C.F. Edwards  
President and  
Chief Executive Officer.

TORONTO, Ontario  
August 1, 1979.

	<u>1979</u>	<u>1978</u>
Net sales . . . . .	\$61,789,391	\$54,171,154
Costs and expenses:		
Cost of products sold and all expenses except items shown below. . . . .	55,913,435	48,117,407
Interest on long term debt. . . . .	20,000	24,000
Bank and other interest . . . . .	191,590	356,785
Property rentals . . . . .	303,894	297,064
Provision for depreciation . . . . .	1,167,763	1,118,040
Provision for income taxes . . . . .	1,626,384	1,662,100
	<u>59,223,066</u>	<u>51,575,396</u>
Net earnings for the period . . . . .	<u>\$ 2,566,325</u>	<u>\$ 2,595,758</u>
Net earnings per share . . . . .	<u>\$ 2.95</u>	<u>\$ 2.99</u>

## Consolidated Statement of Changes in Financial Position for the Six Months ended June 30

	<u>1979</u>	<u>1978</u>
Source of working capital:		
Net earnings . . . . .	\$ 2,566,325	\$ 2,595,758
Non-cash charges deducted in arriving at earnings—		
Provision for depreciation . . . . .	1,167,763	1,118,040
Deferred income taxes . . . . .	95,000	40,000
Amortization of prepaid rent. . . . .	250,413	250,413
Funds provided from operations. . . . .	<u>4,079,501</u>	<u>4,004,211</u>
Shares issued under employees' stock option plan . . . . .	27,627	17,378
	<u>4,107,128</u>	<u>4,021,589</u>
Use of working capital:		
Additions to fixed assets. . . . .	1,136,771	1,356,036
Dividends on common shares. . . . .	783,903	694,370
	<u>1,920,674</u>	<u>2,050,406</u>
Resulting in an increase in working capital of . . . . .	2,186,454	1,971,183
Working capital at January 1 . . . . .	29,209,940	24,375,740
Working capital at June 30 . . . . .	<u>\$31,396,394</u>	<u>\$26,346,923</u>